June 1, 1984

CERTIFIED MAIL NO. 363725

Fairbanks Hydraulics 7927 South 3030 East Salt Lake City, UT 84117

ATTENTION: JOHN FAIRBANKS

Gentlemen:

RE: ML 30576--Section 32, TI45, R23E, SLB&M.

Thank you for responding to my letter of May 11, 1984. The August 26th, 1983, letter from Division of Oil, Gas, and Mining which you interpreted as a permit to commence mining is merely an acknowledgement that you had filed a Declaration of Exemption with that office in accordance with the Mined Land Reclamation Act. It gives no permission or instruction to commence actual mining operations on the above-referenced State section. My letter of August 8, 1983, specifically outlined requirements to be met by you prior to mining these lands. Since these requirements were not met, your subsequent mining of this property was without State approval.

On May 22, 1984, engineers from the Division of Oil, Gas, and Mining visited the above-referenced section of State land and observed mining and surface disturbances. Based upon their report, it is necessary that you take the following actions to fully restore this land:

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1. Within thirty (30) days from date of this letter:

A. Remove all drilling and blasting equipment, processing equipment, tanks or containers, explosives, trash and debris from the property.

B. Inventory and measure all amounts of tar sand and other earth materials removed from the property and make payment to the State for this material at the rate of \$14 per ton, which figure is twice the appraised value thereof.

C. Fill in all pits and cuts and recontour the surface of all disturbed areas to approximately the immediate surrounding natural terrain.

D. Replace all topsoil and evenly distribute it over the disturbed areas. If topsoil was not properly stored and maintained, you will need to haul some in from the outside.

E. Sather up and remove from the property all trees or shrubs which were extracted or irreversibly damaged by your mining and reclamation operations.

F. Make payment to the State for all trees so extracted or damaged at the rate of \$10 per tree, which figure is twice the appraised value thereof.

2. During the month of September 1984, scarify and reseed with a mixture of native shrubs and grasses all recontoured and disturbed areas, including the access road leading from the county maintained road down into your worksites. You will be expected to take all necessary measures to assure the successful re-establishment of these grasses and shrubs.

I hope to maintain close contact with you in resolving this matter. I would like to conduct a visit to the site in thirty (30) days to assure that the requirements listed under part one above are satisfactorily completed. I will be happy to clarify any of the requirements listed herein about which you may have question. Please be aware that your failure to comply with these requirements may result in initiation of action by the Attorney General's Office pursuant to Title 65-1-77 thru 80, Utah Code Annotated.

Sincerely yours,

JOHN T. SLAKE MINERAL RESOURCES SPECIALIST

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CC Anne Stirba Assistant Attorney General

> James Smith Division of 011, Gas, and Mining

Jack Healey Celsius Energy Company P.O. Box 11070 Sait Lake City, UT 84147